(3) *State Capitalism* is gaining ground against private capital. During the War, the requirements of the armies and the provisioning of the population led to serious Government interference with economic life. The production and distribution of goods, previously left to private enterprise, was increasingly regulated by the State. The tendency to nationalize certain branches of economy or to subject them to stricter control by the State, played into the hands of the parties which saw in capitalism the source of the social evils, and, like the Socialists, demanded the nationalization of all means of production, or, like the Christian Socialists and the Nazis in Austria and Germany, demanded a greater measure of protection for the lower middle class and the peasants against commercial capital. Further, in the new States fiscal considerations led to the creation of State monopolies for the production or sale of certain goods. The economic field, previously open to private capital and enterprise, was reduced all round. Wherever the State stepped in, the private entrepreneur went to the wall. Even more: when in Poland monopolies were introduced for spirituous liquors, matches, and tobacco, besides the displaced manufacturers, thousands of Jewish employees and workmen were replaced by non-Jews; the same happened when a monopoly was established for the export of

timber. To some extent, this was due to deliberate anti-Semitism, but to some extent also to the change in the nature of the business—taken over by the State, it has lost its previous commercial and competitive character and has changed into an administrative department, in which the commercial abilities and experience of the Jews are less needed.

(4) The scope of commerce is further reduced by *the growth of co-operatives,* which have spread from Germany to Eastern Europe, and have increased more rapidly since the War, Agricultural co-operatives, for the common purchase or sale of goods, supersede the village trader; in East Galicia the growth of such co-operatives among the Ukrainian peasants